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Senate Panel Quizzes Ex-NSC Aides

McFarlane and North Testify in Closed Hearing

By Dusko Doder and Helen Dewar
Washington Post Staff Writers

The Senate Select Committee on Intelligence began a closed-door probe into the Reagan administration's clandestine Iranian and Nicaraguan operations yesterday, taking sworn testimony from former national security adviser Robert C. McFarlane and Lt. Col. Oliver L. North, who was fired from the National Security Council staff for his involvement in the operations.

A third witness, believed to have been John McMahon, a former deputy director of the Central Intelligence Agency, also testified during the marathon session, which lasted nearly 12 hours. Committee members refused to confirm the identity of the third witness.

McFarlane, who helped arrange an arms deal for Iran that subsequently diverted an estimated \$10 million to \$30 million in funds to aid the Nicaraguan antigovernment rebels, or contras, testified for nearly 6½ hours. When he emerged from the session around nightfall, he looked flushed and grim and refused to talk with reporters.

McFarlane's appearance before the committee was requested over the weekend, and he worked into the early hours Sunday preparing for his testimony with his attorney, Leonard Garment, White House counsel in the Nixon administration.

A source familiar with his testimony said McFarlane was asked repeatedly about who else in the administration he told about the diversion of money to aid the contras after learning of it from North last May. McFarlane reportedly responded that he did not tell others because he thought they knew.

McFarlane said last week that he assumed the operation was administration policy.

McMahon, as CIA deputy director, agreed in November 1985 to provide agency assistance in getting an airplane for an arms shipment to Iran after an unusual oral request from North. According to Sen. Daniel Patrick Moynihan (D-N.Y.), McMahon approved North's request but warned that he would require an order from President Reagan to do it again.

In February, McMahon quit his job without explanation. In the same month, the first U.S. shipment of 500 TOW antitank missiles went from the United States to Israel and then to Iran.

North appeared before the Senate committee last night, after McFarlane and McMahon. Attorney General Edwin Meese III said last week that North had "precise knowledge" about the operation.

Vice Adm. John M. Poindexter, who Meese said knew about the diversion of money to aid the contras but did not stop it and who resigned as Reagan's national security adviser last week, is expected to testify today.

Committee chairman David F. Durenberger (R-Minn.) told reporters before the day-long session that the initial phase of the inquiry would last two weeks. On Dec. 15, he said, the panel will decide whether to broaden the investigation and call Cabinet members to testify.

Operating under an extraordinarily tight, self-imposed gag rule, committee members refused to disclose their agenda, witness list or details of testimony.

But Sen. Thomas F. Eagleton (D-Mo.) said McFarlane testified under oath about the secret sale of arms to Iran and subsequent diversion of funds to aid the contras.

"Yeah, I'm sure it was McFarlane. It wasn't Santa Claus," Eagleton told reporters as he left the session on the second floor of the Senate's Hart office building.

Asked about Reagan's reference in a Time magazine interview to North as a "national hero," Durenberger said, "national heroes are not excluded from the list [of potential witnesses], nor are national security directors."

Sen. David L. Boren (D-Okla.), who will take over as chairman of the panel when the Democrats assume control of the Senate next month, said he has sent a letter to Reagan urging appointment of an independent counsel to investigate any wrongdoing in the operation.

Boren also suggested that Reagan should consider replacing White House chief of staff Donald T. Regan. "Frankly, it would be wise to seriously consider naming a new White House chief of staff who is completely free of any possible reason to be defensive about past mistakes which may have been made by White House subordinates," Boren said.

Before North testified yesterday, Eagleton said of the former NSC aide: "I don't think anyone questions his gut patriotism. He's a courageous guy . . . But lots of people question his judgment and legal accountability. Even patriots can make horrendous, grossly illegal mistakes."

No one believes North operated alone in the Iran-Nicaragua operation, Eagleton added. "It just doesn't fall into the rank of lieutenant colonels. We have lieutenant colonels wandering around this building arranging senators' trips. In fact, we have a colonel" doing that, he said.

Emerging after yesterday's hearing, which ended well after 9 last night, Durenberger and the committee's vice chairman, Patrick J. Leahy (D-Vt.), refused to comment on the substance of the inquiry.

"I am satisfied that we are getting the kind of candor we were hoping to get and the kind of cooperation from the administration that the president and others have promised," Durenberger said. He invoked the "procedures on secrecy" in committee rules to sidestep questions.

Durenberger said the committee was conducting its inquiry "for our purposes" to determine which intelligence agencies were involved in the operations. "We don't know yet what we have," he said. Leahy described the inquiry as "a fact-finding process" at this stage.

The committee plans three more days of hearings this week and three or four days next week. "At the conclusion of this process we will make a decision" whether to broaden to inquiry to include some Cabinet officials, Durenberger said.

As the Senate panel was beginning its probe, the House Foreign Affairs Committee and the House Permanent Select Committee on Intelligence scheduled sessions for next week with McFarlane, North, Poindexter and Secretary of State George P. Shultz.

Staff members of the two House committees said the schedules could be changed. "These all should be folded into one joint hearing; otherwise Congress will create sympathy for them [the witnesses] having to go from one committee to another," one aide said.